



CITY OF HOUSTON

Solid Waste Management
Department

Interoffice

Correspondence

To: Mayor Sylvester Turner

From: Office of the Director

Date: August 7, 2019

Subject: **Recycling Internal Audit**

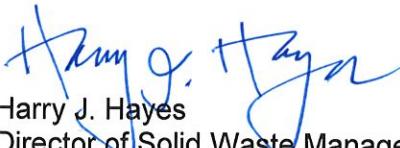
The department has completed an internal audit (copy attached) of recycling loads that were mishandled and taken to waste disposal sites which do not process curbside single stream recyclables. The audit period was from January 1, 2019 through May 31, 2019. The date range encompasses councilmember, constituent and news media reports of the mishandling activity dating from January 2019 through April 2019. The month of May was included to ensure collections and disposal compliance after the issuance of a department directive on April 24, 2019 which strictly prohibited the reported unauthorized practices.

The audit identified the following:

- Employees did an excellent job of documenting their daily work behaviors.
- Loads from all four (4) service centers were mishandled.
- There was a total of 532 mishandling incidents; 426 for 1/1 thru 4/25, and 106 from 4/24 thru 5/31.
- 2,169 tons were mishandled during the audit period. The recycle material portion of the mishandled tons equaled 1,301 tons.
- Service Center management did not react and respond to well documented mishandling entries made by employees on their daily work logs.
- A new operations practices is to be established immediately to ensure drivers do not accidentally mix materials when switching trucks or when working to empty trucks at a designated disposal site as a special work project.

I have consulted with the Human Resources team and will administer corrective action per city/department policies. Corrective actions will occur with both civil service employees and members of the management team.

If you have further questions concerning the audit, please let me know.


Harry J. Hayes
Director of Solid Waste Management

H:08072019-1

Attachment: As stated

Copy: Marvalette Hunter, Chief-of-Staff



CITY OF HOUSTON

Solid Waste Management
Department

Interoffice

Correspondence

To: Harry Hayes
Director of Solid Waste

From: Chennella Queen

Date: August 7, 2019

Subject: Internal Audit Recycling Collection & Disposal
January-May 31, 2019

I have completed the Internal Audit related to the mishandled Recycling Collection & Disposal for the timeframe of: January-May 31, 2019. The report is attached for your review.

Chennella Queen

Senior Auditor, Project Manager

Solid Waste Management Department



**Internal Audit
Recycling Collection & Disposal
January 1 – May 31, 2019**

Chennella Queen
Senior Auditor

TABLE OF CONTENTS

- I. Department Overview
- II. Audit Basis
- III. Audit Objective
- IV. Reviewed/Analyzed Data
- V. Findings
- VI. Recommendations
- VII. Attachments/Reports

Department Overview

The City of Houston Solid Waste Department provides solid waste services to approximately 396,000 residential customers. The department provides curbside collection of garbage, yard trimmings, heavy trash, dead animals, and single stream recyclables. It operates six (6) neighborhood depository sites, a household hazardous waste facility, a building materials recycling center, and a consumer drop off recycling center. In addition to the aforesaid, the department also manages the following:

- Negotiating and monitoring contracts for municipal solid waste disposal and management for the City's three (3) transfer stations;
- Managing the transportation and disposal of over 700,000 tons of waste annually;
- Administering the issuance and enforcement of Combustible Waste Storage Permits for commercial establishments;
- Responding to and managing disaster debris services during both federally declared and non-declared events.

Audit Basis

Constituent, councilmember and a news reports alleged department trucks designated for only garbage or only recycling collections services were simultaneously collecting green and black bin (mixing) material and taking all collected material to municipal solid waste landfills or transfer stations. The reports stated that mixed collections began sometime in January and continued through April. In response to the reports, the Solid Waste Department issued a memo on April 24, 2019 restating the department/city policy on proper collections and disposal. All collections operations personnel which includes drivers, supervisors, managers and executives received a copy of the directive memorandum.

Audit Objective

The objective of the audit was to determine the extent to which the improper collections and disposal actions had occurred. As such, the Director of Solid Waste Management directed the review of pertinent records such as daily driver performance sheets, landfill and transfer station disposal tickets and electronic disposal data maintained by the department. The records audit includes data from January 1, 2019 through May 31, 2019. It should be noted that the month of May was included to determine the effectiveness/compliance with the April 24, 2019 memorandum issued by the Solid Waste Director restating compliance with department/city policies and practices regarding department operations.

Reviewed and Analyzed Data

To meet the objectives of the audit the following actions were performed:

- Reviewed more than 11,700 documents related to daily driver work performance.
- Observed the operations of the recycling processing plant and garbage transfer station.
- The Human Resources Department conducted interviews with operations personnel which included the following: garbage and recycling collections drivers, Solid Waste Supervisors, Sr. Superintendent, Deputy Assistant Directors, Deputy Directors and the Director.

- Conducted interviews with operations service center administrative staff.
- Reviewed data and reports relative to the recycling program and landfill operations.

Findings

- Internal controls to ensure compliance with the department/city policy appear acceptable. Drivers receive their daily program and route assignment via their supervisor. They are required to document all their time, both productive and non-productive, on the daily performance data sheet. Documentation includes time spent collecting containers, breaks/lunch, travel time, disposal location and amount of material deposited. At the end of the workday, drivers review, sign and present their form to their immediate supervisor for his/her review and sign-off as accurate and complying with department standards.
- Solid waste drivers did an excellent job of documenting their daily work performance with the daily data sheets throughout the audit period. Their documentation of daily work behavior greatly facilitated the audit process.
- The respective leadership teams of the four (4) operations centers were provided ample opportunity to correct driver behavior of mixing material or improperly disposing of collected recyclables. For the audit period, Jan. 1 – May 31, 2019, no corrective actions were issued for mishandling recycling material, specifically after the April 24, 2019 memo directing compliance.
- For the stated audit period, 532 mishandling incidents are noted; 426 from January 1st – April 24th, and 106 from April 25th – May 31st.
- Total final weight of mishandled recycle material equaled 1,301.4 tons, or 2.6 million pounds. The final weight is obtained by disposal tickets and an estimation of route collection time recorded on performance data sheets, less the current 40% contamination rate. This is further explained as follows:
 - Mishandled tons (2,169) were 1.07% of all compacted tons (201,975) collected.
 - Mishandled tons were 11.42% of all recycle tons (18,985) properly collected.
 - Properly handled recycle tons (18,975) equaled 9.4% of all compacted tons (201,975) collected.
- A process should be put in place and strictly enforced which identifies partial loads remaining on trucks over night or through the weekend. In several instances employees unknowingly used a “parked” truck that contained either garbage or recycling and took that unit to their work route, thereby mixing the load unknowingly. Drivers oftentimes do not work using the same truck throughout the day or from day to day, given the age/condition of the fleet, which leads to the aforementioned issue.
- The long-term effects of the aging fleet, market area labor shortage of qualified drivers, equipment operators and mechanics have led to lengthy workdays/weeks for operations personnel. The Human Resources Department has ramped up outreach and recruitment for

qualified drivers. Further impacting vacancies/turnover is the driver compensation, noted by Human Resources as below the competitive market. Exit interviews indicate quality of life issues as a result of long work days/weeks for both drivers and first line supervisors.

- In HR interviews and exit interviews, operations personnel cited pressure/stress to maintain daily collections schedules as posted. Also noted was frustration with old/unreliable equipment, high turnover rates and reliable co-workers.
- The recycling and garbage routes continue to grow as a result of new residential development and redevelopment. Additional (new) crews and equipment are needed to meet the service demand to maintain posted customer service levels. According to current department information, the current shortage is 18 garbage routes and 9 recycling routes.

Recommendations

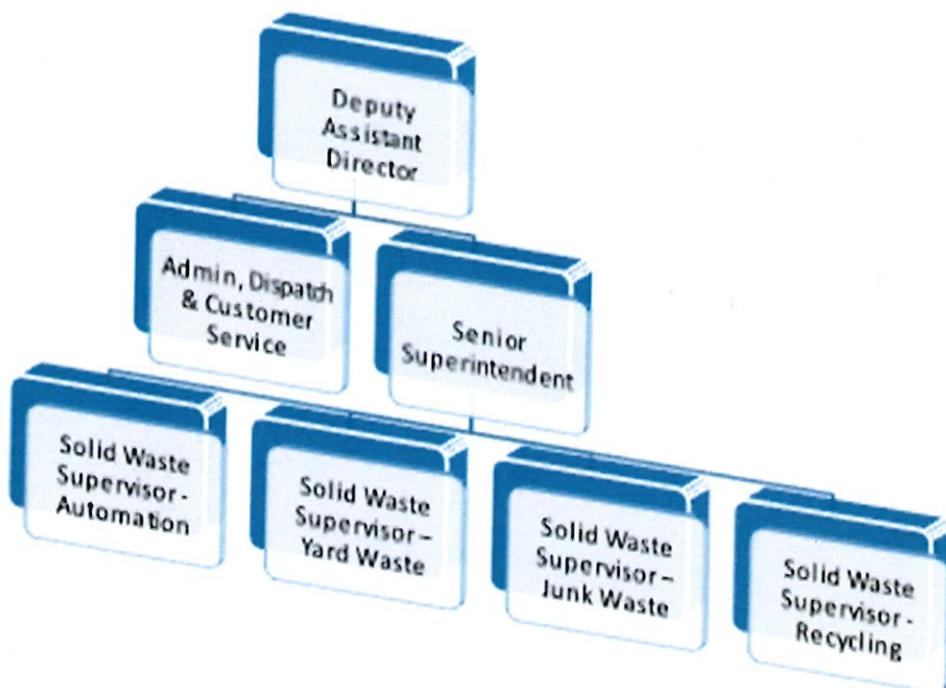
- Recommendation #1: Continue the good process (and training) of collections drivers properly completing the daily performance data form.
- Recommendation #2: Management should properly review and monitor daily performance data forms and provide corrective feedback where/when necessary.
- Recommendation #3: Management should ensure that all department and city policies/practices are followed despite performance pressures.
- Recommendation #4: Appropriate corrective action should be taken for this event and when necessary in the future when operational practices and directives are not followed.
- Recommendation #5: Routine audits and/or spot inspections of collections and disposal practices should be consistently performed by supervisors and management to maintain compliance.
- Install signage at service centers which reinforces messaging that recycling material to must be taken to the designated disposal site (FCC)

Attachments/Reports

1. Service Center Chain-of-Command
2. Daily data collection form and workflow process
3. Coaching & Corrective Action Process
 - a. Key City & Department policies
4. Department April Operational Directive
5. Mishandled Recycle Charts
 - a. Mishandled loads monthly count
 - b. Mishandled tons comparative of all compacted tons
6. Data Reviewed
 - a. Daily Performance Data Sheets
 - b. Landfill Management Reports – Compacted Waste
 - c. Recycle Disposal Reports – WM/FCC
 - d. Contamination Reports – WM/FCC
 - e. Kronos Payroll Reports
 - f. Corrective Action Logs
 - g. HR Staffing Data

Attachment 1

Service Center Organization



Attachment 2

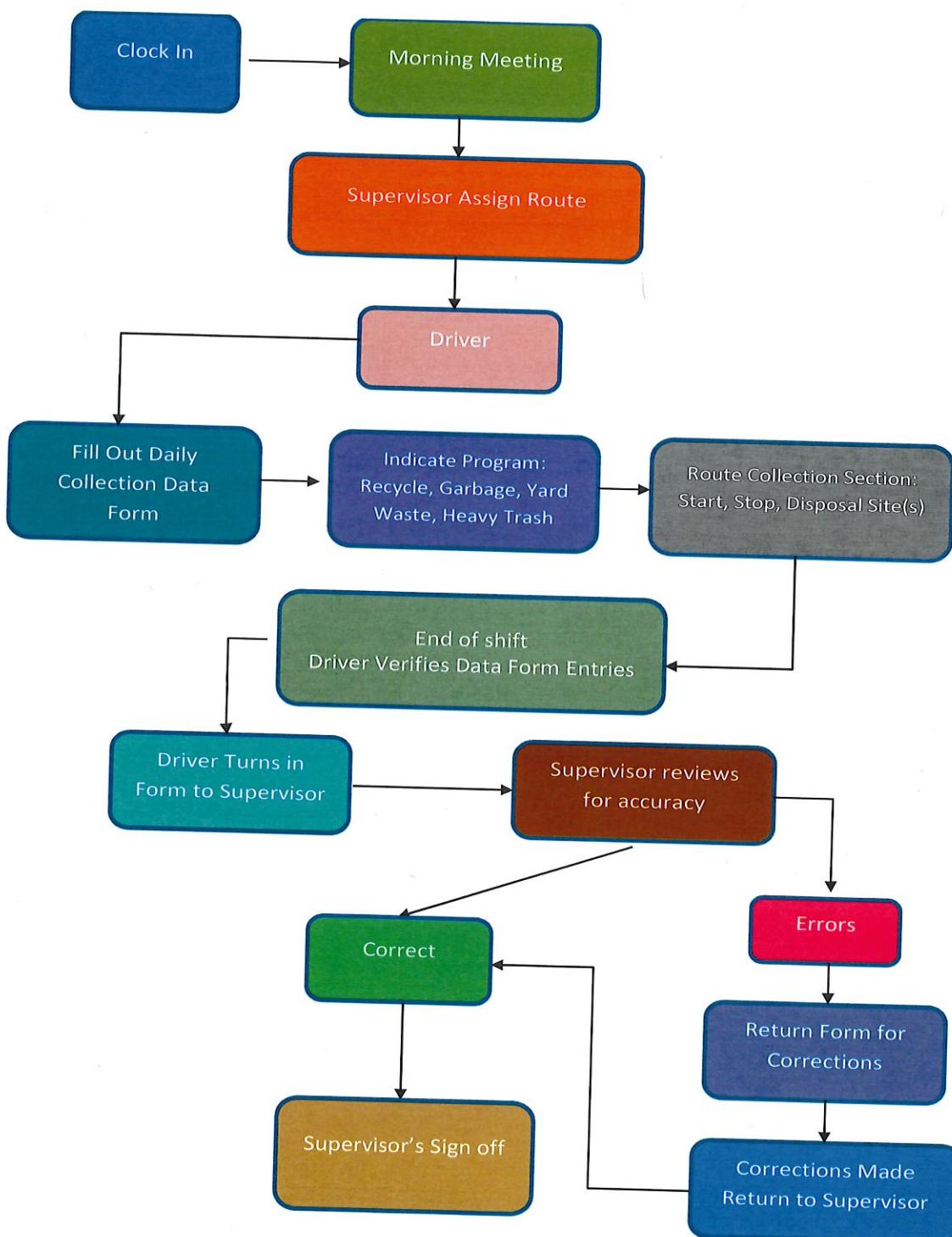
PROCESS OF DAILY COLLECTION DATA FORMS

The daily collection data form consists of the following:

- driver's name
 - service center assigned
 - work crew type (automation, recycle, yard waste, heavy trash)
 - service day
 - assigned route number
 - truck number
 - weather conditions
 - work activity or vehicle breakdown time
 - breaks/lunch
 - transit time
 - disposal location
 - disposal volume

Attachment 2, contd.

SWM DRIVER DAILY PROCESS



Attachment 3

Coaching & Corrective Action Process

The department follows the city policies regarding positive employee/management engagement. Supervisors and managers are to give employees continuous feedback on their work performance and compliance with workplace safety, customer service and teamwork. There are numerous city and department policies governing workplace behaviors. A few major policies are highlighted below:

- AP 2-2 : [Motor Vehicle Assignment and Use](#)
- AP 3-7 : [Positive Corrective Action Program](#)
- AP 3-20: [Houston Employee Assessment and Review \(HEAR\) Process](#)
- AP 3-33: [Orientation for New Employees and New Supervisors](#)
- AP 3-11: [Absence](#)
- DP 2-18: Attendance, Punctuality and Leave

Attachment 4



CITY OF HOUSTON
Solid Waste Management
Department

Interoffice

Correspondence

To: SWMD Employees

From: Office of the Director

Date: April 24, 2019

Subject: Operational Procedures and Directives

Thank you to those employees who continually work hard every day to ensure that solid waste collection is handled in a manner that is safe, efficient and environmentally sound. The Department appreciates your dedication and hard work.

As one of the largest service departments in the City of Houston with over 450 employees, it is important that we follow all departmental policies and procedures to ensure that we continue proudly serving the citizens of Houston. Unfortunately, it has come to my attention through surveillance video that an employee may have disposed of the recyclable materials collected from the green containers into the landfill or transfer station. The Department of Solid Waste Management does not condone this action. All recyclable material collected from the green containers must be taken to the recycling center for processing. Please be advised that failure to adhere to this directive will result in immediate disciplinary action.

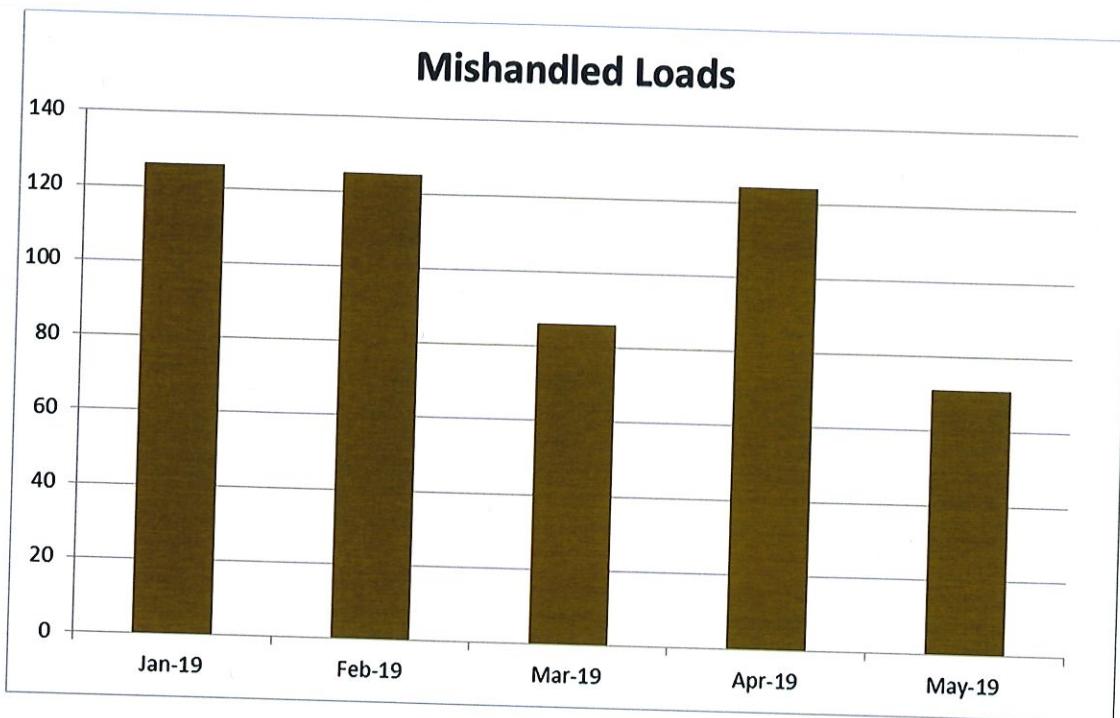
Sincerely,

A handwritten signature in blue ink that reads "Carolyn M. Wright".

Carolyn M. Wright, Deputy Director
for
Harry J. Hayes, Director

Attachment 5

- a. Mishandled Loads by Month



- b. Mishandled Tons Comparative View

